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Summary

¶1. (SBU) President Tadic's formal meetings May 22 with the leaders of the parties that won seats in the new Serbian Parliament confirmed that no group has yet formed a majority, but it appears that pro-European forces have the upper hand. Socialist Party leader Ivica Dacic, whose coalition holds the key 20 seats needed for a majority, was in Athens on May 23 to confer with the Socialist International regarding prospects for membership. May 25 provincial elections in Vojvodina could influence Tadic's choice for Prime Minister in an eventual pro-European government. Negotiations over the Belgrade city government continue to be linked with national-level politics.
End Summary.

Election Results Official

¶2. (U) The Serbian Election Commission's (RIK) May 20 announcement of the official results of the May 11 elections paved the way for President Boris Tadic to begin his formal consultations on forming a new government. The results, which varied slightly from the preliminary numbers (Ref A), were as follows:

"For a European Serbia" (DS, G-17+, SPO, LSV, SDP): 1,590,200 votes (38.4%) - 102 seats

Liberal Democratic Party: 216,902 votes (5.24 %) - 13 seats

Democratic Party of Serbia - New Serbia: 480,987 (11.61%) - 30 seats

Serbian Radical Party: 1,219,436 votes (29.45 %) - 78 seats

Socialist Party of Serbia - Party of United Pensioners of Serbia - United Serbia: 313,896 (7.58%) - 20 seats

"Bosniak Ticket for a European Sandzak": 38,148 (0.92%) - 2 seats

"Hungarian Coalition": 74,874 votes (1.81%) - 4 seats

"Coalition of Albanians of Presevo Valley": 16,801 votes (0.41%) - 1 seat

President Tadic's Formal Consultations

¶ 13. (SBU) Presidential foreign policy advisor Jovan Ratkovic provided us with a readout on May 23 of President Tadic's meetings the previous day with party leaders:

-- Representatives of the For a European Serbia (ZES) coalition, led by Tadic's own Democratic Party (DS), reported that they could form a parliamentary majority and would suggest their candidate for Prime Minister at a later point. (According to press reports, DS deputy chairman Dusan Petrovic said that 142 of 250 deputies would support the ZES program. That number includes DS, LDP, SPS, and minority party seats.)

-- The Serbian Radical Party (SRS) also claimed to be able to form a majority coalition and named Democratic Party of Serbia (DSS) leader and current Prime Minister Vojislav Kostunica as their candidate for Prime Minister, according to Ratkovic, while Kostunica's own DSS representative Slobodan Samardzic declined to name a candidate. Samardzic told Tadic that a deal had been reached on the national level and the ball was now in SPS's court to achieve agreement with its electoral coalition partners. He claimed that the DSS-SRS coalition would have the support of 128 to 130 MPs; Ratkovic assumed the two swing votes belonged to Ugljanin's Bosniak Ticket for a European Sandzak.

-- Socialist Party of Serbia (SPS) leader Ivica Dacic told President Tadic that his party had spoken to both the DSS and the SRS about the principles of a coalition government, but had yet to discuss guarantees regarding program implementation; without such guarantees, no deal would be possible. Dacic told Tadic that his party was very strongly opposed to the annulment of the Stabilization and Association Agreement (SAA) with the European Union, which Ratkovic observed was not the same as supporting its ratification. Ratkovic told us that Dacic was in Athens on May 23 to meet with Socialist International (SI) head George Papandreou, who would stress the economic benefits of

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European integration and offer SI membership in return for alliance with pro-European parties. He added that Dacic is also expected to go to Brussels on May 26 for meeting with Euro MPs.

-- Liberal Democratic Party (LDP) leader Cedomir Jovanovic told Tadic that his party has two goals: speeding up EU integration, and stopping the radicalization of Serbia (i.e. ousting Kostunica from government). Jovanovic described cooperation with the SPS as the "lesser evil" and "a price worth paying" to get rid of Kostunica.

-- Hungarian Coalition head Istvan Pasztor, who claimed to control all four seats won by the list, said that he was ready in principle for a deal with the DS that would cover the republic government, Vojvodina, and the local level.

-- Representatives of the Bosniak Ticket for a European Sandzak told Tadic that they had not had direct talks with any potential coalition partners, although they had been quite pleased with the public DSS offer of the regional development portfolio. They reiterated their strong support for the SAA and European integration. (Ratkovic confirmed that Tadic had asked Turkish President Gul to urge coalition leader Dr. Sulejman Ugljanin, in Ankara at the time, to join with pro-European forces. Ugljanin's response was reportedly positive but non-committal.)

-- Representatives of the coalition of Albanians of Presevo Valley told Tadic that they would support a pro-European government.

Possible Prime Ministers

¶ 14. (SBU) Ratkovic told us that Sunday's runoff elections in Vojvodina (Ref B) would influence Tadic's choice for Prime

Minister. In the event of a narrow DS win or a defeat, Tadic would be reluctant to bring Bojan Pajtic (president of Vojvodina's Autonomous Executive Council and an able public administrator) to Belgrade. MFA political director Borislav Stefanovic also confirmed on May 23 that Pajtic is one of the top candidates for Prime Minister, along with Minister of Finance Mirko Cvetkovic (Ref C).

Negotiations for Belgrade

¶ 15. (SBU) Heated negotiations continue for control of the Belgrade city government. (With its population of 2.2 million people and annual budget of \$1.3 billion, the capital is the economic prize for any party.) Minister without Portfolio Dragan Djilas -- the likely DS mayoral candidate -- expressed concern to us on May 23 that the DSS would succeed in forming a coalition with the Radicals and the SPS at the city level, shutting out the DS. He claimed this would make it impossible for the national level DS-led government to function. (Comment: While Djilas's comments are clearly colored by his own interests, many observers concur that this type of split between Belgrade and the national level would be politically untenable. LDP leader Jovanovic told us on May 22 that he would be unable to support a DS-SPS coalition at the national level if the SPS worked with the Radicals in Belgrade. End comment.)

¶ 16. (SBU) According to SPS city board president Aleksandar Antic, the SPS would only be able to sell its members on the idea of a national-level coalition with the DS if it formed a coalition with the SRS and the DSS on the Belgrade level. Antic told us on May 23 that his party intended to move quickly to form the Belgrade government in order to placate the SPS constituency and to buy necessary time for negotiations with DS on the national level. He later told the press that a SRS-DSS-SPS city coalition agreement could be approved on May 25.

¶ 17. (SBU) While Antic claimed that the only viable option for SPS on the city level was a coalition with SRS-DSS, and ruled out the possibility of a DS-DSS alliance, Ratkovic claimed that the latter scenario was still a possibility. He cited Belgrade City Committee Chairman Nenad Komatina's statement in the May 23 edition of Standard that a last- minute twist resulting in a DS-DSS coalition was still possible.

Comment

¶ 18. (SBU) Negotiations may be entering their final stage, with a Tadic decision on whom to grant a mandate possible as early as

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next week -- i.e. after the Vojvodina elections. It is still impossible to predict whether the DS will succeed in wooing the SPS, but the indicators seem to be pointing in that direction. The fate of the Belgrade city government seems less clear, and could throw a monkey wrench into national-level negotiations. End comment.

MUNTER